

The State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERTL. MORGAN Executive Director

LOWELL P. BRAXTON Division Director OLENE S. WALKER

Governor

GAYLE F. McKEACHNIE

Lieutenant Governor

Representative	es Present During the Inspection:	
	Pete Hess Environmental Scientist III	
Company	Mike Davis	

Inspection Report

Permit Number:	C0410002		
Inspection Type:	PARTIAL		
Inspection Date:	Wednesday, November 03, 2004		
Start Date/Time:	11/3/2004 10:10:00 AM		
End Date/Time:	11/3/2004 11:35:00 AM		
Last Inspection:	Wednesday, October 13, 2004		

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear; 40's F.
InspectionID Report Number: 447

Accepted by: whedberg

11/23/2004

Permitee: CANYON FUEL COMPANY LLC
Operator: CANYON FUEL COMPANY LLC

Site: SUFCO MINE

Address: 397 S 800 W, SALINA UT 84654

County: SEVIER

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Mineral	Ownership
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Types of Operations ✓ Underground

Surface Loadout Processing Reprocessing

24 632 05	Total Permitted			
 		V	Federal	✓
27.36	Total Disturbed	V	State	
	Phase I		County	
	Phase II		Fee	
	Phase III		Other	

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no compliance actions currently pending for the SUFCO Mine permit area.

The permittee continues to meet the single Special Permit Condition stipulated in Attachment "A" of the current State permit issued by the DOGM. That condition is relative to the submittal of quarterly surface and ground water monitoring information in an electronic form to the Division web site.

The permittee initiated the longwall move from the 3 Left Pines East panel to the 4th Left Pines East panel on October 28th. It is anticipated that the move will be completed by November 6, 2004

Inspector's Signature

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date Wednesday, November 03, 2004

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale				
2.	Signs and Markers	V			
3.	Topsoil	✓			
4.a	Hydrologic Balance: Diversions	✓			
4.b	Hydrologic Balance: Sediment Ponds and Impoundments				
4.c	Hydrologic Balance: Other Sediment Control Measures	✓			
4.d	Hydrologic Balance: Water Monitoring				
4.e	Hydrologic Balance: Effluent Limitations				
5.	Explosives	V			
6.	Disposal of Excess Spoil, Fills, Benches		✓		
7.	Coal Mine Waste, Refuse Piles, Impoundments	✓		✓	
8.	Noncoal Waste	✓			
9.	Protection of Fish, Wildlife and Related Environmental Issues	V		✓	
10.	Slides and Other Damage		✓		
11.	Contemporaneous Reclamation		✓		
12.	Backfilling And Grading		✓		
13.	Revegetation		✓		
14.	Subsidence Control				
15.	Cessation of Operations				
16.a	Roads: Construction, Maintenance, Surfacing	✓			
16.b	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations	✓		✓	
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance				
22.	Other				

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7. Coal Mine Waste, Refuse Piles, Impoundments

More piles have been placed on the active lift at the waste rock disposal site. These piles will more than likely remain uncompacted until the spring, since recent heavy rains and snow have affected ground conditions throughout Utah.

9. Protection of Fish, Wildlife and Related Environmental Issues

Representatives from the USFS, the BLM, and the Division (Mr. Steve Fluke, Reclamation Hydrologist) inspected the East Fork of Box Canyon drainage on November 2, 2004. According to Mr. Davis, the channel surface was frozen. A snow accumulation was also reported in the lower Canyon reaches.

18. Support Facilities, Utility Installations

The permittee is taking advantage of the longwall move underground to make numerous upgrades to the tipple and shop area. These upgrades include the installation of guards on conveyors to minimize falling ice hazards, construction of bermed areas for bulk fluid containment, etc. A new head roller was being installed on top of the run-of-mine coal stacking tube. The stoker bin was also relocated within the yard. Changes to the stoker coal storage bins were also being implemented. The need to upgrade the East Spring Canyon surface facilities map was discussed with Mr. Davis. Necessary upgrades to that map will be made and submitted upon completion of the refurbishing activities. A review of the current bond amount was also discussed.